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CHAPTER XIX.—URUGUAY.

No. 87.

[A 1170/314/46]

Mr. Eden to Mr. Stevenson (Montevideo).(No. 8.)
Sir,*Foreign Office, February 2, 1942.*

THE Uruguayan Chargé d'Affaires came to see me this afternoon and left with me the enclosed note, informing me officially of the Uruguayan Government's decision to break off diplomatic, commercial and financial relations with Germany, Italy and Japan.

I thanked Señor Montero de Bustamante and asked him to convey to his Government the thanks and appreciation of His Majesty's Government for their action and for the policy they have pursued throughout.

I am, &c.

ANTHONY EDEN.

Enclosure in No. 87.

*Note communicated by the Uruguayan Chargé d'Affaires.**Uruguayan Legation,**London, January 28, 1942.*

Your Excellency,

I HAVE the honour to inform your Excellency that on the 25th instant the Uruguayan Government passed a decree breaking off diplomatic, commercial and financial relations with Germany, Italy and Japan.

2. I have the honour to state that the Swiss Government very kindly agreed to take charge of Uruguayan interests in Germany and Italy.

I have, &c.

CESAR MONTERO DE BUSTAMANTE.

No. 88.

[A 2532/3/46]

Mr. Stevenson to Mr. Eden.—(Received March 16.)

(No. 1. Confidential.)

Sir,

Montevideo, January 1, 1942.

IN accordance with the instructions contained in circular despatch No. 72 of the 4th November, 1939, I have the honour to transmit herewith a brief summary of events in Uruguay during 1941.

In this summary I have incorporated the contents of the report on political conditions in this republic from January to August 1941, contained in my predecessor's despatch No. 142 of the 30th August.

I have, &c.

RALPH SKRINE STEVENSON.

Enclosure in No. 88.

*Summary of Events in Uruguay during the Year 1941.**Internal Affairs.*

IN the year that has just passed the President of the Republic, General Alfredo Baldomir, and his Government entered upon the final phase of the four years' mandate accorded him in 1937, which will expire next June. In so far as internal affairs are concerned, the year has seen two developments which will inevitably have a considerable effect upon the future of the republic.

2. One has been the President's announcement of important and fundamental reforms of the Constitution of 1934, which gave permanent form to a *modus vivendi* between President Terra, General Baldomir's predecessor, and Dr. Herrera, head of the ultra-Right party, at that time the second largest in the State, by which his party acquired equal representation in the Senate and three portfolios in the Cabinet. This *modus vivendi* is no longer a valid political arrangement, since the Herrerista party has lost its former position owing to the popular suspicion that certain of its leaders are in sympathy with the totalitarian Powers. Moreover, the disadvantages of allowing an isolationist party to combine the dual rôle of Executive and Opposition became unmistakably clear from the Herrerista attitude towards the question of the establishment of bases, as revealed in the debates in the Chamber of Deputies at the end of 1940. These considerations, combined with General Baldomir's violent political feud with Dr. Herrera, moved the President to invite a committee of jurists to prepare a draft for the amendment of the 1934 Constitution.

3. Proposals on the basis of proportional representation in the Cabinet and in the Senate for all parties, and full power for the head of the State to choose his Ministers at will, were duly submitted to General Baldomir, as it had become clear that the other political parties would not agree to the proposed reforms without prior consultation.

4. In the meanwhile the internal political situation was aggravated for the President by the defeat of his candidate for the presidency of the Chamber of Deputies, as a result of an unexpected coalition of Herrerista members and Colorado dissenters. Stung by this untoward surprise and increased by the opposition in the Cabinet from the Herrerista Ministers to the purchase of arms from the United States of America, the President took the unconstitutional step of demanding their resignation, on the ground that there was no longer even the outward semblance of co-operation between their party and his Government. He then went further in his defiance and gave the vacant Ministries to three of his own supporters.

5. These events urged once again on the President's mind the necessity of reform. On this occasion, in order to ensure that the principle of the reform he desired to introduce would not meet with opposition from the other parties in the State, he consulted them separately, and secured the agreement of all save the Herreristas. A Consultative Council, composed of jurists and members of other parties, was then invited by the President to re-examine the draft submitted in January. In November the Consultative Council announced their approval of it with a few minor alterations, and the President of the Republic, in his speech to the nation at the beginning of December, stated that, in his opinion, the new reform would provide a pliable and democratic instrument of government.

6. The other development of importance in internal affairs and, indeed, also in the external position of this republic, has been the passing of the Bill permitting the Government to take advantage of the Lease and Lend Act by negotiating with the United States an Armaments Loan of 17 million dollars to provide for the country's most pressing needs in artillery and aircraft. It is noteworthy that in the Senate it gained the support of part of the Herrerista party.

7. The defenceless state of the country had been glaringly revealed during the internal crisis occasioned by the disclosure of Nazi designs in June 1940, and both the President of the Republic and his Minister for Foreign Affairs have continually in their public utterances emphasised the resolution of the Government to take energetic steps to remedy this state of affairs. Military and air purchasing missions are at present in the United States, but the defences of the country are, of course, still in a precarious state, and the threat of a Nazi *coup*—though unlikely at present unless there is first a similar *coup* in the Argentine—is continually present in the minds of Uruguayans.

8. For the rest, throughout the year the prospect of the presidential elections overshadowed political activity to an increasing extent as the opening of the campaigns approached. Three of the political parties—including the most important dissident part of the Colorado party under Dr. Blanco Acevedo—announced their candidates fairly early in the year, but the President preserved an enigmatic silence regarding his intentions. Shortly before the end of the year his decision not to seek re-election was announced in the press, and at the same time Dr. Manini Rios, then Minister of the Interior, put forward his candidature. He seemed to have the support of most of the Baldomirista section and to have the goodwill of the President himself, though the latter refrained from making any statement on the subject. The Batllistas had not announced their candidates before the end of the year.

Foreign Affairs.

9. Far and away the most important event during the past year in the sphere of foreign affairs, in so far as its effect upon Uruguay is concerned, has been the outbreak of war between the United States and the Axis Powers. It has brought home once again, and in more urgent form, to the Uruguayan people the significance of continental defence and of the Pan-American idea, not merely, as General Baldomir told the nation, "as an ideological movement, but as a line of practical policy."

10. Both the Government and people have, more perhaps than in any other South American State, been alive to the realities of Pan-Americanism and, on the 21st June, 1941, they again gave the lead to their neighbours in a declaration that they would regard as non-belligerent, and consequently open their ports to, any American State at war with any non-American Power. This declaration was subsequently endorsed by the other countries of the continent, with the exception of Argentina, Chile, Peru and Colombia.

11. Another result of the increased consciousness of the importance of co-operative inter-American action was the Uruguayan Government's decision, on the 6th April, to follow the lead of the United States Government by taking into protective custody the two Italian and two Danish ships in the port of Montevideo. The decree empowering this action stated that the measure was intended to prevent the repetition of the acts of sabotage which had occurred in other American ports. Even before, early in February, Dr. Guani had suggested the joint Pan-American examination of the position of such vessels with a view to their facultative requisition in a national emergency, and, in August, the Uruguayan Government accepted without question the proposals of the Washington Inter-American Economic and Finance Committee on this matter. They have now been put into force and the ships placed on the North American route.

12. Shortly after the news of the Japanese attack on Hawaii was received, the Uruguayan Government issued a decree describing Japanese action as unprovoked aggression and announcing their decision not to regard the United States as a belligerent Power. They made it clear that, whatever the strictly legal position might be, the practical consequence of the decree was that Uruguay found herself in a state of war with Japan. In this connexion the Minister for Foreign Affairs assured me that there could be no question of granting facilities to Japanese warships, as provided in neutrality legislation.

13. On the 9th December the Uruguayan Government issued a decree prohibiting the transfer abroad of Japanese funds and the export of goods belonging to persons or firms of Japanese nationality. This was followed on the 12th December by a similar decree in respect of German and Italian funds and goods.

14. At the same time the Uruguayan Government began to consider seriously the means of giving effect to a proposal which the President of the Republic had mentioned to me some weeks previously, that, as the safety of Uruguay's foreign trade depended, in fact, on the efforts of His Majesty's Navy, it was only just that the rights of a non-belligerent should be extended to Great Britain, and that British warships should receive the same facilities in Uruguayan ports as those accorded to United States ships. When President Baldomir mentioned it to me I expressed deep appreciation of the generous impulse which prompted the proposal, but pointed out that, although pre-war conceptions of neutrality had largely gone by the board, the Hague Convention dealing with the question of marine warfare had generally, in our experience, proved favourable to Great Britain in view of her predominant naval power, and that any precedent which tended to weaken its validity might not be wholly advantageous to us. There the matter rested until the outbreak of war between Japan and the United States when the Minister for Foreign Affairs immediately raised it with me again, and asked whether the defence of the Southern Atlantic would be undertaken by the United States or by Great Britain, adding that if it were Great Britain he would suggest the establishment of close liaison between the British naval authorities and the Uruguayan Ministry of National Defence. It was not possible to give the Minister for Foreign Affairs the information for which he asked, as the whole question of naval defence was under review between His Majesty's Government and the United States Government, but I was instructed to assure him that pending the outcome of these discussions the Royal Navy would continue to the best of its ability to deal with enemy vessels in the South Atlantic.

15. By that time the preparations for the Third Conference of Pan-American Foreign Ministers at Rio de Janeiro were proceeding, and it was becoming clear that the Uruguayan Government had practically made up their minds to put forward at that conference a definite proposal that the non-belligerent rights already accorded to the United States should be extended to their allies. They felt, however, that this was a somewhat bellicose proposal for a country as defenceless as Uruguay to sponsor, and they were, therefore, most anxious for some promise of material support from the United States and Great Britain to enable them to press it with confidence. I could not, of course, hold out any hope of such a promise, but I did my best in discussions with the President and the Minister for Foreign Affairs to emphasise British appreciation of the generous and courageous attitude of the Uruguayan Government.

16. Relations with Great Britain have been of the best possible nature, and not only members of the Government but Uruguayans in general have never failed to take advantage of every occasion to express their enthusiastic admiration for Great Britain. The departure of Mr. Millington-Drake was the signal for demonstrations such as have never, perhaps, been seen before in Montevideo and my arrival provided an occasion for a spontaneous tribute to Great Britain on the part of large and vociferous crowds. In spite of the more important part which United States now inevitably play in Uruguayan affairs, and the efforts which their Government have made to foster good relations, there is no doubt that Great Britain, of all foreign Powers, still occupies the predominant position in Uruguayan affection and respect.

17. In the course of the year there occurred two incidents which were satisfactorily and swiftly settled, though in less fortunate circumstances they might have had an unfavourable effect on Anglo-Uruguayan relations.

18. The first was caused by the infringement of Uruguayan territorial waters on the 13th January by His Majesty's Armed Merchant Cruiser *Asturias* during an attempt to intercept the French merchant ship *Mendoza*, which had sailed from Buenos Aires without a navicert. The question was complicated by the fact that next day, on the 14th, a hydroplane from H.M.S. *Newcastle* made a forced landing on the Uruguayan coast. The aircraft and crew were released on the ground that no relevant internal legislation had yet been drafted, and, although Dr. Guani felt obliged to report the violation of territorial waters to Panamá, he expressed the wish that his communication should not be circularised to the other South American Governments, and omitted any reference to prejudice to Uruguay. He, instead, advanced again the proposal put forward at the Havana Conference that territorial waters should be extended to 25 miles, and although this was not accepted, the Inter-American Neutrality Committee at Rio de Janeiro later issued a recommendation extending territorial waters to 12 miles. As this recommendation was to some extent the result of Dr. Guani's initiative, I took the opportunity to warn him that it was extremely improbable that His Majesty's Government would recognise any alteration in the extent of territorial waters during the war.

19. The second incident occurred when, early in November, after the announcement of concessions to the Argentine in respect of machinery bought in Germany, a Herreroista Senator, in the course of a debate in the Senate, attacked Great Britain for having held up machinery for the Rio Negro Hydro-Electric Scheme, and, although he was immediately answered by the President of the Senate himself, the President of the Republic raised the question with me shortly afterwards and enquired whether, in view of the concessions made to the Argentine, it would not be possible to make a similar concession to Uruguay.

20. I was subsequently instructed to explain to the President in detail the reasons why His Majesty's Government were unable to accede to this request. The President accepted the explanation, but with some reluctance, and added that he personally thought the whole scheme would require to be put in cold storage, as the contract with the German consortium contained stipulations expressly designed to prevent cancellation in the event of war impeding the delivery of material. This view, however, was not maintained by the Uruguayan Government, as, shortly after the end of the year, they decided to accept an offer put forward by the United States to supply one turbine within a reasonable time and to complete the contract after the war, provided that all connexion with the German consortium were severed and all German technicians dismissed. This was a highly satisfactory development, as it removed the danger of the establishment in Uruguay of a German colony which would have come to be in virtual control of the country's electric power supply.

21. On the whole the Uruguayan attitude to His Majesty's Government's decision not to allow the delivery of the German machinery for this Rio Negro

project has been one of resigned comprehension. They have protested and sought to show the injustice of the decision, but opinion in the country was not unanimously in favour of the project and the Government have given the impression rather of "going through the motions" than of expressing really deep concern.

22. In the last few months of the year evidence was received that certain Uruguayan authorities, notably the State Electricity Works, the Ministry of Defence and the Ministry of Public Health, were ordering material of German origin. At the same time the State Electricity Works were anxious to obtain certain electric generators and telephone material of German origin, held up at Rio de Janeiro and Valparaíso respectively.

23. As it had not been possible to accede to the Uruguayan requests for the shipment of machinery for the Rio Negro project, and as the general attitude of Uruguay was so outspokenly and courageously favourable to our cause, the Ministry of Economic Warfare decided that the material at Rio de Janeiro and Valparaíso could be released, together with a further small amount detained at Santos, provided that no payment reached Germany and that all other outstanding orders for German material were cancelled. These terms were readily accepted by the Uruguayan Government, who also showed themselves willing to receive help from the United States in converting the telephone system, which is largely under German technical control, into a State concern, and to start removing the existing German influence there and in the State Electricity Works.

24. The visit of the first Canadian Trade Mission to this country took place in September. Not only was it successful in its avowed purpose of fostering commercial relations, since it achieved an agreement by which the dollar quota available might be used without distinction for imports either from Canada or the United States, but it also gave the Uruguayan Government some idea of the Canadian war effort, and an opportunity to express their admiration for the British Commonwealth of Nations.

25. Relations with the United States have become more cordial as the result of the growth of Pan-American sentiment and the decision of the Uruguayan Government to follow the example of Brazil in drawing closer to the United States, rather than that of Argentina in remaining aloof. The United States Government have sedulously cultivated their relations with this country and not only have raised the status of their representative here to the rank of ambassador, but have sent a flow of commercial and cultural missions and representatives in an increasingly successful attempt to make the Uruguayan people conscious of the importance of the United States in Latin America.

26. Relations with other South American States have, on the whole, been harmonious and friendly, although a considerable feeling of contempt for the Argentine has grown recently, and has been expressed not only in Government and popular circles, but also in the press—chiefly over the Argentine Government's attitude of frantic neutrality and the much-criticised state of siege instituted after the outbreak of war with Japan.

27. A Uruguayan-Argentine commercial treaty stipulated in the clauses of the agreement at Colonia between the two States in December 1940 was still unsigned at the end of the year, although the Mixed Commission appointed to draft it had completed their work before the end of August.

28. Inter-American consciousness among the neighbouring South American republics found expression during the period under review in two inter-American economic conferences held in Montevideo.

29. At the Regional Conference of the River Plate in January delegates from the Argentine, Brazil, Uruguay, Paraguay and Bolivia examined devices for diminishing the economic isolation of the two latter inland countries, by stimulating regional interchange, by the introduction of regional preference tending towards customs union, the signing of bilateral agreements, and the improvements of transport and navigation. In accordance with the recommendations of the conference, the Government of Uruguay immediately afterwards entered into negotiations with those countries and signed agreements which have since been ratified.

30. At the Conference of the Associations of Commerce and Production which met at the end of May, the findings of the Regional Conference were embodied in recommendations which aimed at more effective co-operation and increased autarky. Inter-American preference with the aim of customs union was again the key-note and the conference had one important immediate result in the establishment of a permanent council with headquarters in Montevideo to examine the application of its recommendations.

31. In January 1941, M. Alberto Ledoux, formerly First Secretary of the French Legation at Montevideo, was appointed by General de Gaulle as his personal representative in South America. M. Ledoux has lost no opportunity of advertising the Free French movement and it has made considerable progress in Uruguay, where culture is almost purely French in origin and inspiration.

32. Uruguayan relations with other European Governments are now, to all intents and purposes, negligible. She has, however, continued to recognise the representatives of the occupied countries in the River Plate and has appointed an agent to the Belgian Government in London. Although she has not had diplomatic relations with the Soviet Union since 1936, great admiration has been expressed for the resistance shown by the Russian army and people and the not inconsiderable Communist element in Uruguay have not been slow to take advantage of this change of attitude.

[A 2535/3/46]

No. 89.

Mr. Stevenson to Mr. Eden.—(Received March 16.)

(No. 14.)
Sir,

Montevideo, January 30, 1942.

THE beginning of the campaign leading up to the presidential elections next March, marked by the inaugural meetings of the two most important candidates, Dr. Pedro Manini Rios and Dr. Eduardo Blanco Acevedo, affords me a suitable opportunity to report on the present state of the campaign and its possible developments.

2. Even now—scarcely two months before the elections—not all the candidates have been announced. For instance, although it is expected that Dr. Herrera, the leader of the Nationalist party, will, in fact, stand for the presidency, he has not yet announced his intention of doing so.

3. The two most important groups of the Colorado party, on the other hand, announced their candidates some time ago. As I reported in my telegram No. 1, Saving, of the 11th January, Dr. Manini Rios, the Minister of the Interior in General Baldomir's Government, is standing as the candidate of the main section of the Baldomirista faction, and Dr. Blanco Acevedo, a prominent surgeon and former Minister of Public Health in Dr. Terra's Government during the years 1933 to 1937, is standing as the representative of his own faction of the Colorado party, which split into its two most important groups in 1937. The more progressive branch of the Nationalist party, the Blanco Independientes, have announced the name of Martin C. Martinez as their candidate. He is an aged financial expert who enjoys a reputation for political honesty; there is little likelihood that he will gain any considerable following.

4. The Batllista party, a Left-wing group of the original Colorado party, have announced the name of Fabini, a dim party politician. Neither he nor other candidates, Señores Charlone, Cosio and Williman, who also represent subsidiary groups of the Colorado party, are credited with any hope of success, especially Dr. Williman, who is alleged to entertain feelings hostile to the United States and by no means particularly friendly towards Great Britain.

5. Any attempt to prognosticate the chances of the two most important candidates, Dr. Blanco Acevedo or Dr. Manini Rios, is made impossible by the extreme complication of Uruguayan party politics. It must be remembered that no candidate puts forward a political programme in the sense of the word understood in England. It is true that Dr. Blanco Acevedo made a fairly far-reaching statement of his aims at his inaugural meeting, and Dr. Manini Rios a less definite one, but Dr. Blanco Acevedo safeguarded himself by explaining that, in his opinion, no presidential candidate could give any assurance that when in power he would be in a position to fulfil the promises he had made in the course of his campaign. Besides, the people of Uruguay place much less importance and take less interest in statements of policy than in the personality of the candidate and his affinity with their own political sympathies. For this reason the press and radio have little influence in internal politics, since no one in this country would dream of reading or listening to a statement of views with which he disagreed.

6. Apart from electors who, in the casting of their votes, are inspired solely by considerations of party and vote either Blanco or Colorado from respect for traditions which have their origin in the early part of the 19th century, there can, I think, be no doubt that in the present presidential contest the vote lies between the representatives of the dissenting branches of the Colorado party,

who have been in power for the last sixty years. The political clubs which spring into being all over the country at the time of elections to support one or other of the candidates will therefore prove probably the most influential factor. The organisers of these clubs are usually men of local standing who use their influence to obtain promise of votes from their dependants, their employees and acquaintances. They use these votes as a bargaining instrument to obtain from the rival candidates a promise of a post in a Government department or other material advantage to which they attach importance. This bargaining continues throughout the period of the election campaign until the last minute before the elections, and even then the leaders of clubs may change sides if they feel that they are supporting a losing candidate.

7. As far as Anglo-Uruguayan relations are concerned, there is little to choose between Dr. Blanco Acevedo and Dr. Manini Rios, since they both are strongly pro-British in their sympathies. Dr. Blanco Acevedo, however, although an able and energetic administrator, is not, strictly speaking, a politician, and his rather arrogant and autocratic bearing in public has not endeared him to the Uruguayan public. His support will come probably more from Montevideo than the provinces. Dr. Manini Rios, on the other hand, is an experienced and able politician who enjoys considerable prestige as a result of his activities as Minister of the Interior during the last eighteen months, and as Uruguayan delegate at the Havana and other inter-American conferences. He entered politics in 1917, when he belonged to the Riverista group of the Colorado party, composed, generally speaking, of Conservative farmers and businessmen, and he will undoubtedly benefit from their support at the election as well as being able to count on the Baldomirista votes.

8. Dr. Herrera, an aged politician of the old "caudillo" type, exercises much personal charm over those who come into contact with him. In spite of having stood and failed four times for the presidency, he nevertheless has a considerable following in the interior, principally in the north-eastern departments of the republic; though his ambiguous attitude towards the Democracies, with which he is personally out of sympathy, has induced unrest in his party. The Nationalists for the most part remain loyal to the traditions of their party and there is unlikely to be any very considerable desertion from their ranks. He will not, however, attract many votes outside his party, and has no chance of success.

9. The enigmatical figure on the scene remains General Baldomir, the President of the Republic. He has hitherto preserved a sphinx-like silence regarding his intentions and his wishes. He is, however, known to be greatly attached to his high office, and, as constitutionally he is unable to seek re-election for a further span of years, his only chance of continuing in office lies in his ability to declare that at the present time it would be in the national interest to postpone the elections for an indefinite period.

10. The eventuality which would most likely induce him to adopt this course would be any deterioration in the international situation. The Uruguayan public—bitterly though they would be disappointed at being deprived of the excitement and uncertainty of the elections—are more than ever preoccupied with the potential threat to the safety of the republic and would, if they thought the danger imminent, probably concur in a solution of this kind. It would undoubtedly appeal even less to the other candidates, but, if accepted by the general public, they would be powerless to intervene, however loud and bitter their protests.

11. Although I believe that these facts represent the constant features, I must nevertheless emphasise the extremely fluid nature of the situation. The Uruguayans take a typically Latin interest in politics and follow with excited enthusiasm the endless combinations and permutations of little parties which, with the possible exception of the Nationalists, have essentially the same aims and ideals. The country has given itself heart and soul to the insidious luxury of the intrigue and political strife inseparable from a prolonged election campaign. Nothing remains stable; even the denomination of the candidates may change at a moment's notice. A phrase in a newspaper article, a comment from a supporter, a cryptic remark from an opponent, are sufficient to alter the balance from day to day. In such circumstances, no definite forecast of the development and outcome of the elections is possible.

12. Although at least one, if not two, of the probable candidates displays qualities of mind denied the present holder of the presidency, it may well be that the interests of the republic, both in its internal and external aspects, would best be safeguarded if, as I have suggested, General Baldomir, with the continued support of Dr. Guani as his Minister for Foreign Affairs and the other members

of his Government, were to continue to occupy for a further period the post whose functions and duties he has discharged with eminent distinction and discretion.

13. I am sending copies of this despatch to His Majesty's Ambassadors at Washington and Buenos Aires and to His Majesty's diplomatic representatives at other South American posts.

I have, &c.

RALPH SKRINE STEVENSON.

[A 2813/314/46]

No. 90.

Mr. Stevenson to Mr. Eden.—(Received March 23.)

(No. 15.)

Sir,

Montevideo, February 7, 1942.

ALTHOUGH, as you are aware, Uruguay was the first amongst the South American republics to take steps to combat the potential threat to internal security caused by the activities of hostile foreign elements, the Uruguayan Government have, since the outbreak of war between the United States and the Axis Powers, taken certain further measures directed to this end.

2. Some of these measures I have already reported, notably, (1) the decree which suppressed the publication by wireless telegraphy or broadcasting of information regarding shipping movements (see my despatch No. 177 of the 24th December, 1941), and (2) the measures prohibiting the diffusion of anti-democratic ideas or those impeding national defence (see my telegram No. 14 to the Ministry of Information of the 28th January). These measures included control of books, pamphlets and oral propaganda at lectures and meetings. It was directed that none but the four continental languages (Spanish, Portuguese, English and French) could be used, and that radio stations could only broadcast in Spanish unless they had previously secured authorisation from the Government to use one of the other permissible languages. Finally, the Government was empowered to transfer or suspend military or civil officials who were proved to be spreading subversive ideas.

3. Since then arrangements have been made to increase the numbers of men enlisted in the armed forces of the republic. It will now be possible for the army to enrol 1,000 more recruits and the air service eighty. The maritime police, who patrol the port of Montevideo and other Uruguayan ports, will also be increased by 100. These numbers are small; nevertheless, they represent, in fact, an increase of 13 to 20 per cent. in the different services.

4. Oil and coal depots and the gas works are once again under military guard, and there has been a considerable increase in vigilance on the part of the port authorities, especially at night. Everywhere there is a more careful scrutiny of passes. In this connexion I am taking steps to encourage the authorities to tighten up the regulations governing entry to the port zone at night.

5. Two decrees have recently been issued by the Uruguayan Government against two foreign institutions in this country owing allegiance the one to the Spanish and the other to the Italian Government (see my telegrams No. 6 and No. 7, Saving, of the 2nd and 3rd February respectively). These decrees owed their origin to enquiries made by the police authorities at the instigation of the temporary investigating commission set up by the Assembly composed of members of both Houses in June 1940, when the threat to the internal security of the republic first became evident to the Government and people. Since that time the investigating commission has been reconstituted as a permanent commission and has pursued its enquiries with zeal and diligence. Its recommendations form the subject of court proceedings into effect by means of decrees signed by the President and his Ministers. Although the activities of the commission have been often hampered by leakages, it has undoubtedly served a useful purpose.

6. In general, I am of the opinion that the Uruguayan Government are alive to the realities of the situation, and, though handicapped by venality, as is inevitable in South America, and by the effects of years of patient infiltration by Germany and Italy, they are anxious and willing, within the limits of their exiguous means, to defend their own security and to further the cause of democracy.

7. I am sending copies of this despatch to His Majesty's diplomatic representatives at posts in the Americas.

I have, &c.

RALPH SKRINE STEVENSON.